

ANNUAL REPORT 2005 - 2006



Newfoundland & Labrador
Public Libraries



Annual Report

2005-06

Submitted by

**The Provincial Information
and
Library Resources Board**

September 18, 2006

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PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD PROVINCIAL ADMINISTRATION DIVISION 48 St. George's Avenue, Stephenville, NL A2N 1K9

September 18, 2006

Honourable Joan Burke
Minister of Education
Department of Education
P. O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister Burke:

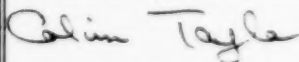
In accordance with the section 16 of the *Public Libraries Act RSN 1990 CHAPTER P-40*, as amended, and section 9 of the *Transparency and Accountability Act, SNL2004 T-8.1*, we are pleased to submit the Provincial Information and Library Resources Board's annual report for the fiscal year 2005-06.

The mandate of the Provincial Information and Library Resources Board, as a category 1 Government entity, is to provide library and support services to the people of Newfoundland and Labrador. We are committed to providing quality library programs and services while ensuring that the organization is operated in an efficient and fiscally responsible manner.

Libraries play an important role in our communities. They are sources of information for business, provide access to government information, assist and educate students and children, are sources of hobbies for the elderly and provide leisure enjoyment for all. They are also a key access point for the Internet and the vast resources available on the World Wide Web. Our goal now is to improve on an already strong and valued public service. This report provides an overview of the key activities of our organization during the past year.

On behalf of the entire Board, I offer my sincere thanks to all our local, divisional and provincial board members, staff, partners, patrons and representatives of the Department of Education who have worked with us or used our services over this past year. Your support for and continued use of our services are sincerely appreciated.

My signature below is on behalf of the entire board and is indicative of our accountability for the actual results reported.



Calvin Taylor, Chair



BOARD STRUCTURES

Provincial Information and Library Resources Board

The Provincial Information and Library Resources Board (PILRB) is an independent organization established by the Provincial Government in 1935, under authority of the *Public Libraries Act*, to oversee the operation of the public library services in Newfoundland and Labrador.

The PILRB is run by a provincial board comprised of representatives and alternates of the regional boards and appointees of the Lieutenant-Governor in Council. The Provincial Board has not less than 10 and not more than 15 members which include: (a) a representative from each regional library board appointed by that board; (b) the chairperson of the St. John's Library Board appointed by that board; and (c) up to six other members appointed by the Lieutenant-Governor in Council.

Regional and Local Library Boards

The PILRB currently operates 96 public libraries across the Province. Each local library is operated by a local library board consisting of five to nine members with the exception of the three libraries in St. John's which operate under the St. John's Library Board. A representative of each local library board is appointed to a regional library board which assists the Provincial Board to ensure that services and programs are consistent throughout the different regions of the province and aids in the development and implementation of policies. The structure of the boards can be seen in Appendix 1.

ORGANIZATIONAL OVERVIEW

Vision

The PILRB's vision of the public library system in Newfoundland and Labrador is universal access to a full range of library and information services supporting personal growth and life-long learning.

Mission

The mission of the PILRB is to adapt the public library system in order to maximize services for the people of Newfoundland and Labrador.

Lines of Business

As an organization, the PILRB offers a variety of services throughout the province. These services have been consolidated into two distinct lines of business.

1. Information Access

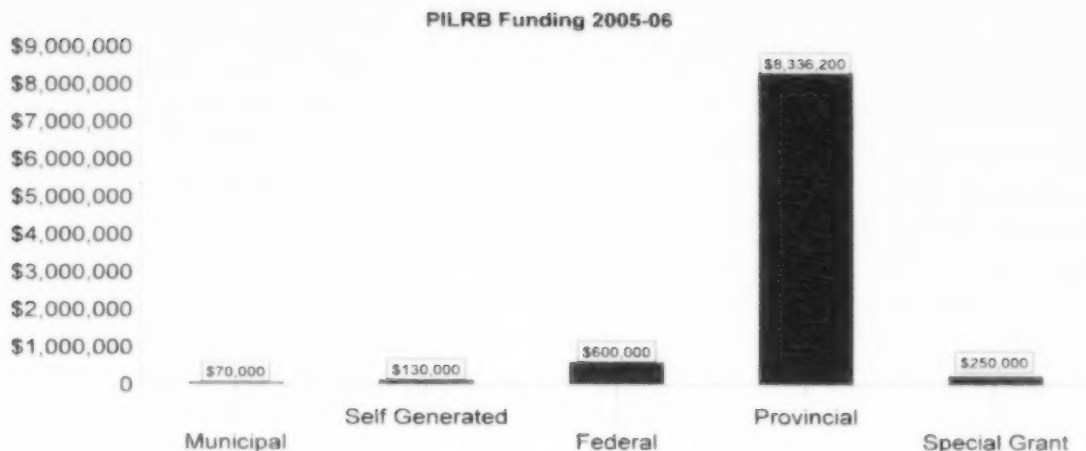
Any person can access information in print and electronic formats, make queries, or access library catalogues and databases at libraries throughout the province. Access to in-house information and programs is available to persons with or without a valid library card. Computer access, however, is granted to library card holders only. Any individual is welcome to attend library programs such as authors' visits, writers' workshops, genealogy sessions, etc. Computer training, assisted technology, emergent technology and new technology are also available at designated sites.

2. Information Lending

Public libraries circulate print materials and, where available, materials in audio and/or visual formats. Patrons are free to use materials on site and, where available, can renew or reserve materials from home computers using their library card access number. Certain sites lend equipment and patrons, in selected areas of the province, can borrow books by mail or receive books via home reader services. Individuals can also obtain materials available at other libraries through interlibrary loans (available through public libraries only).

Library Funding

The public library system is funded, primarily, by the Provincial Government in the form of an annual operating grant. In 2005-06, that grant was \$8,336,200. In 2004-05, an additional \$250,000 was provided for the replacement of the existing library management system but spending was deferred until a suitable replacement system was selected. In 2005-06, \$104,120 of that grant was spent and the remainder will be spent in 2006-07. Additional funding, in the amount of \$600,000, was obtained from the Federal Government through programs such as the Community Access Program and Human Resources and Skills Development. Municipalities also contribute, financially, to the operation of libraries. While the monetary value of the municipal contributions (\$70,000) is low, there are significant in-kind contributions in the form of buildings, free rent, snow clearing, maintenance, etc. These in-kind contributions, which are not included in our budget figures, exceed \$1,000,000 annually. The remainder of our funding is self-generated from fines, fees for service and donations. Our total budget for 2005-06 was \$9.39 million.



The PILRB's fiscal position is audited annually by the Office of the Auditor General. A reproduction of the PILRB's financial statement for 2005-06 is attached in Appendix 2.

Staff Complement

As of March 31, 2006 the PILRB had a total staff complement of 210 full and part-time permanent employees (187 female and 23 male) and 134 substitute employees (124 female and 10 male). Substitute employees are called to work when permanent staff take leave. There were also approximately 800 volunteer library board members and many other individuals who volunteered their services to support their public library.

Library Locations

There is a total of 96 public libraries located across the province. These libraries are divided into four regions:

Western Newfoundland and Labrador	31	(Labrador 6)
Central Newfoundland	33	
Eastern Newfoundland	29	
St. John's	3	

Of the 96 public libraries, 32 are located in schools, 33 are located in municipal buildings, five are located in Government buildings and 26 are located in PILRB owned or leased facilities.

Achievements

The fiscal year 2005-06 was a productive one for the PILRB with increased activity levels in most program areas. Unfortunately, the number of library registrations were down this year compared to the previous year but this is attributed to the purging of library records in

preparation for replacement of our automated library management system. Patrons who had not used library services in the previous fiscal year were removed from our database. We expect to see some increases in patron registrations next year as patrons return. In April 2004 there was a public sector strike which resulted in the majority of libraries being closed for 29 days, or eight per cent of the fiscal year. Activity increases of more than eight per cent during the past year indicate that the statistics increased even when the lost activity, as a result of the strike, is taken into account. We are extremely pleased that our activity levels continue to increase even with a declining population and we anticipate increases in most areas next year when the new library management system is implemented. The following is an overview of some of our key accomplishments during 2005-06:

Library Services

- ☐ 436,557 people had access to public library services which represents 85 per cent of the population.
- ☐ 126,961 individuals were registered as library patrons which represents 29 per cent of the population served. This is a six per cent decrease compared to the previous year and is attributed to the purging of library records in preparation for the implementation of a new automated library management system.
- ☐ 1,668,046 items (library materials) were circulated to all patrons (13 items per patron). This represents a nine per cent increase compared to the previous year.
- ☐ 442,413 reference requests (3.5 requests per patron) were processed. This represents a 25 per cent increase compared to the previous year.
- ☐ 53,277 interlibrary loans were processed. This represents a 21 per cent increase compared to the previous year.
- ☐ 3,905 library programs were offered. This represents a 23 per cent increase compared to the previous year.
- ☐ 40,582 people participated in library programs. This represents a 12 per cent increase compared to the previous year.
- ☐ 543,556 computer use sessions were recorded (30 minute blocks). This represents a 14 per cent increase compared to the previous year.

Library Operations

- ☐ Operated within budget.
- ☐ Achieved further reductions in the costs of telecommunications through negotiation of reduced long distance charges and connectivity rates with Aliant.
- ☐ Continued the upgrading of software packages available at public library sites.
- ☐ Spent \$1,000,000 on library materials to purchase 43,810 new items.
- ☐ Increased our materials budget for videos/DVDs and talking books from \$22,000 to \$31,542 in order to expand these collections in response to increased public demand.

- ☐ Evaluated and selected a new automated library management system to replace the existing system which was installed in 1991. This new system will provide expanded functionality and will enable the organization to continue with its automation plan for library sites.
- ☐ Evaluated and selected EBSCO Host, a suite of four databases, to replace Electric Library. The EBSCO databases provide expanded online resources which will better meet the needs of the public library patrons. In addition to full text being available for a greatly increased number of magazines and newspapers, the suite also offers a rich collection of consumer health information and an electronic guide to fiction.
- ☐ Received \$486,000 from the Community Access Program (CAP). Of this funding, \$251,000 was used for computer hardware and software, \$147,000 was used for extra hours and \$88,000 was used to support connectivity charges. A total of 25 sites received Level 1 funding (\$3,000), 58 sites received level 2 funding (\$6,000), while six sites received Level 3 funding (\$10,000). A total of 57 public library sites used CAP funding for extra hours during 2005-06. Four other sites used CAP funding for leave replacement during summer and Christmas periods.
- ☐ Continued to improve the connectivity rates of public library sites in the province. Currently, only three sites do not have high speed access. These three will be upgraded in 2006-07.
- ☐ Continued upgrading the PILRB's information technology systems through the installation of new equipment at the headquarters in Stephenville, the divisional offices and the Provincial Resource Library in St. John's.
- ☐ Advertised and completed 26 staff postings for existing positions.
- ☐ Prepared Bay Roberts Public Library for automation.

Technical Services

- ☐ 60,391 volumes of materials were received.
- ☐ 43,810 new volumes were purchased for public libraries around the province.
- ☐ 40,582 volumes of library materials which include new purchases, donations and existing materials were catalogued.
- ☐ 67,982 items were processed.

Special Projects/Activities

- ☐ Completed the pilot project for the automation of the Carmanville school-public library and reopened the library in improved space at the newly renovated school.
- ☐ Completed a study relating to issues which impact on the operation of school-public library facilities.
- ☐ Carried out a provincial campaign in support for the continuation and expansion of the Library Book Rate which is a special postal rate provided to library systems to reduce the costs relating to the distribution of library materials. The PILRB forwarded the information gathered from the campaign to the applicable federal departments. The information included: a petition with 7,500 signatures, 19 letters from local

boards, 52 e-mails from library patrons, and a letter from the Provincial Chair. Canada Post has announced that the rate will continue until January 2007 and a decision will be made on the future of this program before that date.

- ☐ Registered 2,171 children for the 2005 **Summer Reading Program** at participating libraries around the province. This program is co-sponsored by the Toronto Dominion Bank and Library and Archives Canada.
- ☐ Provided continuing computer and Internet training sessions in the level 2 and 3 CAP sites.
- ☐ Provided a revitalization grant of \$ 10,000 each for four local library boards and helped them secure additional external funding to upgrade their libraries.
- ☐ Continued work on first aid training for staff, fire plans for library sites, public service week activities, occupational health and safety programs and workplace inspections.
- ☐ Completed a staff training study.
- ☐ In June 2005 Cal Taylor, Chair of the Provincial Board and Shawn Tetford, Executive Director, attended the first ever meeting of ministers responsible for public libraries. The main items of discussion were: connectivity, literacy, inclusive service and the Library Book Rate. While only three ministers were able to attend this first meeting, it is anticipated that we will be able to build on our success and form a Library Ministers' Council in the near future.
- ☐ During the past year, several meetings were held by the committee addressing recommendation 19 of the White Paper on Education. The recommendation calls for improved sharing of resources between library systems in the Province. The committee is comprised of representatives of Memorial University, College of the North Atlantic, the Provincial Information and Library Resources Board and the Department of Education.
- ☐ During 2005-06 two meetings were held with officials of the Department of Education to discuss improving access to library resources for students and teachers in the province.

OUTCOMES

During 2005-06 we continued work on the goals and objectives established in our three-year plan. This past year was the final year of our three-year strategic planning cycle which commenced in 2003-04. The following is an update on our activities for 2005-06 relating to our strategic goals and objectives.

Strategic Goal	2006 Objective	Status
By 2006, a plan designed to improve communication methods is written.	By 2006, a written plan to improve communications for internal and external patrons will be presented to the PILRB.	Objective: Accomplished

Overview

One of the issues raised during our strategic planning process was the difficulty providing information to and receiving information from staff, members of the public and our patrons. Without effective communication, we are not able to inform the public of the services we offer or encourage them to take advantage of these services and programs. It is also important that we receive information from our staff and patrons. We strive to improve our services and when possible, seek input from these users. Without a formal process to receive and evaluate these comments, we are concerned that we may not be meeting the needs of staff or patrons or addressing the additional requirements of unique users.

Strategic Activities 2005-06

During the past year, the results of the communications survey conducted in 2004-05 were summarized in a report which was presented to the Provincial Board. The report, which was approved by the Board, recommends that communications to our patrons be improved through: comment cards at each site, improving and expanding the public web site, improving and expanding the staff Intranet, improving and expanding public relations including program information, and continuing to produce the PILRB newsletter. The objectives of this goal have been met and we will start implementation of the recommendations in 2006-07.

Operational Activities 2005-06

In 2005-06 we continued to improve the communication initiatives in support of our strategic goal. The following specific activities were carried out:

- ☐ Published two editions of the public libraries newsletter *Insights*. *Insights* is also now available on the PILRB web site which enables staff and patrons easy access to current events and good news stories involving libraries.
- ☐ Advertised program information in the local media.
- ☐ Continued with the development of PILRB policies which have been placed on the web site or staff Intranet as appropriate.
- ☐ Continued to gather e-mail addresses, when available, for local library board members and implemented a communication system to keep local board members informed of important issues. The frequency of e-mails to local library staff was also increased in an attempt to keep them apprised of important library activities and events.
- ☐ Finalized the orientation manuals for provincial and local library board members which will help clarify their roles and responsibilities as board members. A copy was distributed to each library board chair.
- ☐ Modified our web site to include more patron information and developed a policy governing the development of local library web sites.
- ☐ Posted documents of public interest including our annual report for 2004-05 on the PILRB web site.

Strategic Goal By 2006, the acceptable level of IT infrastructure is documented for each of the PILRB sites	2006 Objective By 2006, a written plan outlining an acceptable level of IT infrastructure for internal and external patrons at each site will be presented to the PILRB.	Status Objective: Accomplished
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Overview

Public computer access continues to be one of the busiest and fastest growing program areas of the PILRB. It is in high demand by the general public, tourists, new business owners, teachers, students and staff. In 2005-06 we recorded 543,556 half-hour public computer use sessions in public libraries. This represents a 14 per cent (six per cent when the losses as a result of the strike are accounted for) increase over the previous year. The demand for and use of the public access computers have grown significantly since they were introduced.

Computer Use Sessions (30 minutes blocks) by Year

Year	2000	2001	2002	2003	2004	2005
Computer Sessions	420,922	425,256	435,180	466,881	476,778	543,556

Public computer access is still in high demand by persons who cannot afford personal computers, who desire and cannot afford high speed access and by persons who may not have Internet access in their home or community. They are also used regularly for public training purposes. One of the newest demands placed on public access computers is by tourists. With the increases in the numbers of tourists coming to our province many desire to keep in contact with friends, family and their work. They find the combination of local and provincial history, Internet access and the friendly library environment an attractive combination. We are anticipating continual increases in the use of public computer access for, at least, the next five years and realize that public computers have become an integral part of public libraries.

Strategic Activities 2005-06

During the past year the survey which was completed in 2004-05 was analyzed in order to determine the business functions and staff computer requirements as well as the public computer needs for each library site. The data was used to prepare a report which was presented to and approved by the Provincial Board. The report outlines the types and numbers of infrastructure needed at each site to meet the current demands of staff and library patrons. With the infrastructure needs of the organization identified, the next step is to determine options to sustain our infrastructure requirements.

Operational Activities 2005-06

In 2005-06 we continued to evaluate the IT infrastructure within the organization in an attempt to streamline operations and make the system as efficient and effective as possible. The following specific activities were carried out:

- ☐ Continued to focus on the upgrading of public access computer equipment and related items with funding provided by the CAP program. A total of \$ 251,000 was spent for the purchase of computers, servers, printers, scanners and digital cameras.
- ☐ Spent \$100,000 to upgrade staff computers, networks and software.
- ☐ Continued with the updating of capital assets for IT equipment to ensure there is an accurate account of all IT equipment and supplies.
- ☐ Upgraded several library sites to high speed connections to help improve our public and staff Internet services.
- ☐ Upgraded software at library sites, using CAP funding, in response to the needs of patrons.

Strategic Goal	2006 Objective	Status
By 2006, a plan is approved for implementation of an automated circulation system (Dynix) for sites which have not been scheduled for automation.	By 2006, the plan for application of an automated circulation system is approved by the PILRB in sites not scheduled for automation	Objective: Accomplished

Overview

Automated circulation is essential for modern library facilities. The ability to search an online materials catalogue, place holds, renew online and borrow books through an automated system is now the norm in the vast majority of libraries in Canada. Until 2001 only four automated libraries existed in this province; St. John's (three libraries) and Gander (one library). Patrons in other centers regularly complained and requested automation of their libraries to make them more efficient and effective. From 2001-02 to 2004-05, automation projects were carried out in Mount Pearl, Corner Brook and Stephenville. Grand Falls-Windsor and Deer Lake were scheduled to be completed in 2003-04 but due to technical problems with the existing automated library management system, automation had to be deferred until the problems were addressed.

The existing automated library management system (Dynix) began to malfunction in 2003. Officials from the Dynix Corporation were asked to evaluate the existing system and determine whether it could be upgraded or expanded. They reported that the existing system was nearing end of life and that the addition of large library collections (automation of additional library sites) would create problems. With the system nearing the end of its useful

life it was determined that replacement of the existing system was the only option if the PILRB was to maintain the integrity of the existing data base, expand services and improve the functionality for the people of the Province.

In 2004-05 an internal committee was established to oversee the selection of a replacement system for Dynix. The selection process, which involved development of a set of user requirements, a Request for Information (RFI) and an Request for Proposals (RFP) was completed in 2005-06. The Horizon System by SirsiDynix was selected. Once the selection was made a significant amount of work commenced in order to upgrade the IT infrastructure to accommodate the new system and to train staff. The plan is to have the system requirements in place and staff appropriately trained in order to bring the new system online in the spring of 2006.

Strategic Activities 2005-06

While the organization has begun automation of the larger library sites, there was a need to determine the feasibility of the automation of all sites. During the past year the strategic planning committee, which was established in 2003-04, developed a set of criteria in order to carry out a cost-benefit analysis. All library sites were ranked on the basis of the criteria and divided into five categories which represent the order in which the sites will be automated. There are still six sites remaining to be automated in category one including: Grand Falls-Windsor, Deer Lake, Bay Roberts, Conception Bay South, Clarenville and Labrador City. As of March 31, 2006 Grand Falls-Windsor and Deer Lake have been bar-coded and are ready to be automated. In addition to this, the Carmanville school-public library was automated as a pilot project when the collection had to be replaced, as a result of a fire, in 2004. It is anticipated that all sites in category one will be automated by the end of 2006-07. The sites in the other four categories were ranked within each category and will be automated, in order of priority, as funding and resources become available after the new automated library management system is operational.

Operational Activities 2005-06

In 2005-06 while automation of additional sites did not occur, we continued to prepare for future automation projects. The following specific activities were carried out:

- ☐ After a public tender process the Dynix Replacement Committee recommended the purchase of the SirsiDynix Horizon Library Management System to replace the existing system. The preliminary total replacement cost for the system was estimated to be \$350,000. Government provided a one time grant of \$250,000 in 2004-05 and \$100,000 was provided internally by the PILRB.
- ☐ Infrastructure upgrades and staff training for the new library management system have been completed and a go live date of April 19, 2006 has been set.
- ☐ In preparation for the continued automation of library sites, cataloguing and bar-coding were carried out at the next site on the priority list, Bay Roberts.

- ☐ A pilot project was completed in Carmanville after the school- public library collection was destroyed by fire in May 04. The new public library collection, as well as the school collection, were added to the existing system and the site was automated. This pilot was only possible with the existing system due to the small collection size of the site. This project has been evaluated and recommendations have been made regarding future joint school-library automation projects.
- ☐ Work continued on clearing up the backlog of uncatalogued materials, in sites scheduled to be automated, in order to help expedite the automation of these sites.
- ☐ Sites on the priority list have been advised to commence the weeding of old and uncirculated library materials to help minimize the time required for automation.

Strategic Goal	2006 Objective	Status
By 2006, policies are divided into operational and governance.	By 2006, an analysis of policies with recommendations for separation is completed.	Objective: Accomplished

Overview

Every organization requires appropriate legislation and/or clear policies, procedures and standards by which to operate. Policies and procedures are an important tool for management and staff and are necessary to ensure consistency of service. They also reduce the need for employee/manager contact.

At the PILRB there are numerous policies, procedures and standards of operation. Unfortunately, the process for development and approval has never been clearly established. In addition to this, there are issues which are strategic in nature that require Provincial Board approval. There are other issues which can be addressed through operational policies and procedures which can be adopted without having to wait for Provincial Board approval although the Board is kept informed.

Strategic Activities 2005-06

Our objective for this past year was to complete the analysis of all PILRB policies and procedures and submit a report to the Provincial Board regarding the separation of policies into either governance or operational categories. The criteria for determining whether the policies were governance or operational were established in a PILRB policy developed and approved in 2003-04.

All existing PILRB policies and procedures were reviewed and a report, with recommendations regarding separation of the policies and procedures, was made to and

approved by the Provincial Board. All new or recently revised governance policies received approval from the Board and have been adopted for use by the organization.

Operational Activities 2005-06

In 2005-06 we continued to work on the development of new policies and procedures or the revision of existing policies and procedures to address issues relating to Newfoundland and Labrador public libraries. The following specific activities were carried out:

- ☐ Revised or developed three governance and seven operational policies and procedures to address pending PILRB issues.
- ☐ Advised local board chairs of the newly approved governance policies and provided a means by which they can be accessed by local boards.
- ☐ Posted governance policies on the secure staff intranet.
- ☐ Identified and prioritized governance and operational issues which are in need of current policies and procedures.

Strategic Goal	2006 Objective	Status
By 2006, a plan to improve PILRB public relations (PR) is written.	By 2006, suitable options are selected for the PILRB.	Objective: Accomplished

Overview

Whether it is free internet access, document scanning, digital camera rentals, printing services, rare Newfoundland and Labrador books, audio books, video's, CD's, or information on genealogy, it is clear that many people are not really familiar with the services available at public libraries.

Since 1999 many new services and programs have been added to the Newfoundland and Labrador public libraries. Unfortunately, the organization has been unable to carry out an effective Public Relations (PR) campaign to advise patrons or potential patrons of these additions. We believe an efficient and effective PR plan is essential and will help increase the use of public libraries across the Province.

While a PR plan has been considered, the major obstacles have been the lack of qualified staff to develop materials, the costs associated with hiring someone to develop appropriate materials and the general costs of advertising. Nevertheless, it is acknowledged that a PR plan is essential if we are to promote our services.

Strategic Activities 2005-06

An extensive list of potential PR activities was identified in 2003-04. During this past year these activities were evaluated by the committee and ranked on the basis of their effectiveness, costs and suitability for a library environment. The list has been completed and a report was presented to and approved by the Provincial Board. The PR activities will be implemented beginning in 2006-07. One of the issues raised during this process was the need for a new logo for the organization. The existing logo, which has been used for the past 30 years, is a generic library logo, dated, and not easily identifiable with Newfoundland and Labrador Public Libraries.

Operational Activities 2005-06

In recognition of the importance of promotion, the PILRB continued with PR activities. In 2005-06 the following specific activities were carried out:

- ☐ Continued sale of library book bags, T shirts and other items which, in addition to raising funds for local library boards, helps raise awareness of public libraries.
- ☐ Continued development of in-house pamphlets, which outline our services, for distribution to existing and potential patrons.
- ☐ Prepared newspaper articles on a variety of special library services.
- ☐ Carried out various activities such as open houses, author readings, story telling, etc. during library week and throughout the year.
- ☐ Advertised services on CBC radio and participated in two call-in radio programs on CBC.
- ☐ Commenced work with CBC for free radio and TV advertising in exchange for promotion of CBC on the PILRB web site.
- ☐ Continued improvements to exterior signage at library sites in an attempt to make the sites more visible.

Strategic Goal	2006 Objective	Status
By 2006, criteria for matching hours of opening to public demand are established.	By 2006, criteria for distribution of hours are approved by the PILRB.	Objective: Accomplished

Overview

Over the past several years a large number of public libraries have been experiencing an increase in activities. In order to be able to meet the needs of their patrons, library staff and library boards have been requesting additional funding to increase the hours of opening. While the PILRB recognizes that there are sites which require additional hours of operation, unfortunately, due to funding limitations none of the requests have been met.

One of the concerns which was identified related to how to objectively determine how many hours of operation each library requires in order to meet the demands. While it is recognized that there is a large number of sites which need additional hours, it is possible that some sites may have more hours than they need due to population changes and decreases in library activities. In light of these issues, it is necessary to determine the required hours of opening for each library based on the needs of that library.

During the evaluation of the library hours, a problem was noted with the allocation of hours to a library. An accurate baseline for public libraries in Newfoundland and Labrador was never established. In 1980 the PILRB did adopt an hours standard but the information was obtained from other jurisdictions. While it is possible that those standards may be appropriate for this province, without a work measurement study the accuracy of the standards cannot be verified. If a provincial standard were to be established, it is also possible that the base hours assigned to each library would increase which would require additional funding. Without a valid baseline and with no additional funding anticipated a decision was made by the committee to determine, based on a set of criteria, the needs of each library compared to other libraries. The allocation of hours is then proportionate to the library's position when compared to other libraries in the province assuming no increase or decrease in funding. The need for a baseline still exists and has been identified as an issue for future consideration.

Strategic Activities 2005-06

In working towards our strategic goal, the objective for 2005-06 was to establish criteria to evaluate the activity levels for public library sites across the province. These criteria could then be used to allocate hours based on the needs of each library when compared to other libraries in the province. The identification and selection of appropriate criteria were carried out by the committee which included: population served by the library, registered users of the library, circulation of materials, public computer sessions recorded, number of programs carried out and geographical location of the library.

The committee compiled the information for each library and completed a report which identifies the hours required for each library in the province with the exception of the libraries in St. John's. Given the extensive range of services offered from the St. John's libraries and the services provided to other libraries in the province, a decision was made to conduct a separate study of St. John's at a later date. The report was presented to and approved by the Board and was used to form the basis of a request for additional funding for library hours in the 2006-07 budget. The submission was very favorably received by Government.

Operational Activities 05-06

While we continue to work on our strategic goal and objectives, we realized that certain sites are in need of additional hours to meet immediate demands. Where possible we have

attempted to address those needs through interim measures. In 2005-06 the following specific activities were carried out:

- ☐ Used external funding from Industry Canada (Community Access Program) to provide additional hours for 57 library sites.
- ☐ Encouraged sites with inadequate hours to fund-raise and seek community partners in order to increase hours of operation.
- ☐ Encouraged library sites to seek out and apply for external funding in order to provide additional programming (e.g. literacy programs through funding from the Department of Education).
- ☐ Encouraged the lobbying of municipalities to increase their contributions which would enable sites to increase hours.
- ☐ Relocated some hours from one library to another when a library was closed temporarily or when staff were on periods of extended leave, etc.

OPPORTUNITIES AND CHALLENGES

Expanded Role of Libraries

Public libraries across the country are being asked to take on new programs to fill the voids created by reductions in other service areas or new program initiatives. In the age of computer technology many programs/activities can now be accessed over the Internet. With 96 locations, approximately 550 public access computers and high speed connectivity in most sites, people are visiting their libraries in greater numbers to access a great range of services.

In addition to an expanded role in the area of computers, the PILRB has partnered with other groups to improve services. Recently, we formed the a Literacy Clearing House for distribution of literacy materials to literacy students and trainers. This past year we have encouraged library sites to apply for funding to offer literacy type activities for preschool and school aged children. Five sites were successful in obtaining provincial funding for story times. In addition to this, a Summer Reading Program which was offered throughout the province with support from the Toronto Dominion Bank and Library and Archives Canada resulted in 2,171 children registrations at 49 library sites.

The PILRB believes that the role and value of libraries can be significantly improved. Libraries can be centers for information, training, education, tourism, job searches and can provide assistance when the public is seeking government information. Libraries in many other countries and provinces have taken a lead in these areas and we are confident that expanding the role of public libraries in this province would result in a better educated, better informed and better served population. The benefits which could be realized from increasing the services offered from public libraries would be worth the additional investment.

Cost of Operations

Newfoundland and Labrador has one of the highest number of libraries per capita in Canada. This is primarily because our population is dispersed with very few major centers. Many of the smaller centers, therefore, have public library facilities. Even though we currently have a large number of public libraries, there are still 32 new library requests on file from communities, some of which have approximately 5000 people, without direct access to a public library.

Newfoundland and Labrador has one of the lowest funded public library systems per capita in Canada. The majority of our funding is received from the Provincial Government which provides funding consistent with most other provincial jurisdictions. In most other provinces, the bulk of library funding is provided by municipalities. The PILRB is appreciative of the financial support and in-kind contributions it receives from municipalities in this province and recognizes that our level of municipal support is below other municipal jurisdictions across Canada due to the size of Newfoundland and Labrador municipalities and their limited revenue opportunities.

With a budget of approximately \$18 per capita, our libraries are funded well below the national average of approximately \$34 per capita. The high number of libraries and the low funding levels make it extremely difficult to provide adequate hours, appropriate materials and quality programming to all sites. There is a great deal of research relating to the benefit of public libraries. They have been shown to improve literacy, have positive impacts on health, provide a valuable past time for all ages and support education. We believe public libraries are a sound investment and expanding library services will have far reaching, positive, results.

Public Computer Access

In Newfoundland and Labrador public computer access is one of the fastest growing programs offered at public libraries. This program was established, primarily, through funding from the Bill and Melinda Gates foundation and the Community Access Program. While these sources of funding were instrumental in establishing the service, funding from these sources are constantly being decreased and in the case of the Gates Foundation has been exhausted completely. People have become accustomed to the service but unfortunately the current budget of the PILRB is inadequate to continue the service at the level to which patrons have been accustomed.

The PILRB believes that public computer access is essential to the future of information and library services. It is a service which is being offered around the world through public libraries. In this province there is a need to ensure that members of the municipal, provincial and federal governments are aware of the benefits of public computer access and that

funding, from programs such as the Community Access Program, is essential and critical if this service is to continue.

Library Book Rate

In 2005 Canada Post announced the cancellation of the Library Book Rate which is a special rate provided to library systems to reduce the costs of distributing library materials. As a result of a national campaign to continue the rate, Canada Post announced that it would be extended until January, 2007 and before that date a decision would be made on the future of this program. In support of the continuation and expansion of this very worthwhile program, the PILRB participated in a national support campaign. It is essential that this program continue and the PILRB is committed to partnering with library systems in other provinces to lobby the Federal Government and Canada Post to ensure the Library Book Rate program is expanded and extended.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

FINANCIAL STATEMENTS

31 MARCH 2006



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

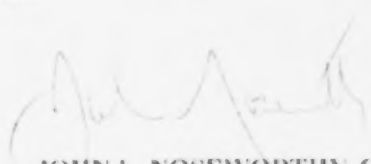
AUDITOR'S REPORT

To the Chairperson and Members
Provincial Information and Library
Resources Board
Stephenville, Newfoundland and Labrador

I have audited the balance sheet of the Provincial Information and Library Resources Board as at 31 March 2006 and the statements of changes in net assets, revenue and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at 31 March 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


JOHN L. NOSEWORTHY, C.A.
Auditor General

St. John's, Newfoundland and Labrador
16 June 2006

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
BALANCE SHEET

31 March

2006

2005

ASSETS

Current

Cash	\$ 2,067,746	\$ 1,811,359
Accounts receivable (Note 2)	306,720	360,837
Prepaid expenses (Note 3)	184,404	189,719
	2,558,870	2,361,915
Long-term investments (Note 4)	23,492	23,492
Capital assets (Note 5)	1,957,985	2,028,834
	\$ 4,540,347	\$ 4,414,241

LIABILITIES AND NET ASSETS

Current

Accounts payable and accrued liabilities (Note 6)	\$ 617,330	\$ 502,298
Deferred revenue (Note 7)	945,642	919,419
Deposits - local libraries (Note 8)	7,007	7,521
	1,569,979	1,429,238
Severance pay liability	1,026,534	1,030,762
	2,596,513	2,460,000

Net assets

Unrestricted net assets (deficit)	(14,151)	(74,593)
Net assets invested in capital assets	1,957,985	2,028,834
	1,943,834	1,954,241
	\$ 4,540,347	\$ 4,414,241

See accompanying notes

Signed on behalf of the Board:

Calvin Taylor
Chairperson

Shawn T. Ford
Member

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended 31 March

2006

2005

	Invested in Capital Assets	Unrestricted		
Net assets (deficit), beginning of year	\$ 2,028,834	\$ (74,593)	\$ 1,954,241	\$ 1,804,007
Capital grant from Province	-	370,000	370,000	120,000
Less: Deferred capital grant	-	(165,880)	(165,880)	(20,000)
Excess of revenue over expenses (expenses over revenue)	(571,470)	356,943	(214,527)	50,234
Invested in capital assets	500,696	(500,696)	-	-
Proceeds from disposal of capital assets	(75)	75	-	-
Net assets (deficit), end of year	\$ 1,957,985	\$ (14,151)	\$ 1,943,834	\$ 1,954,241

See accompanying notes

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF REVENUE AND EXPENSES
For the Year Ended 31 March

	2006	2005
	<u>Actual</u>	<u>Budget</u> (Note 9)
		<u>Actual</u>
REVENUE		
Operating grant from the Province	\$ 8,216,200	\$ 8,216,200
Other grants		\$ 7,929,399
Computerization projects	586,137	580,573
Literacy projects	65,000	75,000
Canadian Library Association	3,342	-
Interest	94,653	60,000
Miscellaneous	51,579	40,000
Fines and lost library materials	39,646	-
Gain on disposal of capital assets	-	-
	<u>9,056,557</u>	<u>8,316,200</u>
		<u>8,806,589</u>
EXPENSES		
Amortization	570,346	-
Books and periodicals	916,554	1,073,542
Computerization of libraries	405,329	360,000
Conferences and workshops	3,177	55,000
Freight and postage	54,111	76,750
Grants - local libraries (Schedule)	433,188	400,000
Heat and light	7,022	7,000
Insurance	105,648	139,000
Literacy projects	88,061	-
Loss on disposal of capital assets	1,124	-
Miscellaneous	2,484	-
Office and library supplies	110,209	126,950
Professional fees	7,230	8,000
Rental of premises	348,961	355,625
Repairs and maintenance	15,983	17,650
Salaries and benefits	6,022,962	6,230,900
Telephone	65,282	72,500
Travel	113,413	183,975
	<u>9,271,084</u>	<u>9,106,892</u>
		<u>8,769,452</u>
Excess of revenue over expenses (expenses over revenue) before extraordinary item	(214,527)	(790,692)
Extraordinary item	-	-
		<u>13,097</u>
Excess of revenue over expenses (expenses over revenue)	\$ (214,527)	\$ (790,692)
		<u>\$ 50,234</u>

See accompanying notes

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CASH FLOWS
For the Year Ended 31 March

	2006	2005
Cash flows from operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ (214,527)	\$ 50,234
Adjustments for non-cash items		
Amortization	570,346	510,471
Loss (gain) on disposal of capital assets	1,124	(17,590)
Gain from extraordinary item	-	(13,097)
	356,943	530,018
Change in non-cash working capital		
Accounts receivable	54,117	(194,348)
Prepaid expenses	5,315	(20,042)
Accounts payable and accrued liabilities	115,032	38,246
Deferred revenue	26,223	698,286
Deposits - local libraries	(514)	5,350
	557,116	1,057,510
Decrease in severance pay liability	(4,228)	(31,206)
	552,888	1,026,304
Cash flows from investing activities		
Additions to capital assets	(500,696)	(363,246)
Proceeds from disposal of capital assets	75	18,020
Proceeds from extraordinary item	-	18,070
	(500,621)	(327,156)
Cash flows from financing activities		
Capital grant	370,000	120,000
Deferred capital grant	(165,880)	(20,000)
	204,120	100,000
Net increase in cash	256,387	799,148
Cash, beginning of year	1,811,359	1,012,211
Cash, end of year	\$ 2,067,746	\$ 1,811,359

See accompanying notes

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES
For the Year Ended 31 March

2006

2005

Eastern Division

Arnold's Cove	\$ 1,092	\$ 825
Bay Roberts	60,086	59,803
Bell Island	1,285	1,055
Bonavista	3,647	3,534
Brigus	6,584	6,083
Burin	750	735
Carbonear	20,383	26,127
Catalina	4,553	3,473
Clareville	28,854	14,980
Conception Bay South	7,641	6,601
Fortune	418	485
Fox Harbour	1,218	928
Garnish	1,046	1,331
Grand Bank	6,470	6,276
Harbour Grace	4,645	4,379
Holyrood	5,619	5,810
Marystown	5,872	5,669
Mount Pearl	12,580	9,453
Old Perlican	2,360	2,585
Placentia	31,818	15,091
Pouch Cove	2,647	2,512
St. Brides	6,394	6,309
St. Lawrence	1,084	698
Southern Harbour	1,440	2,622
Torbay	1,259	1,357
Trepassey	7,240	6,132
Victoria	1,278	720
Whitbourne	3,432	3,408
Winterton	839	625
	232,534	199,606

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)

For the Year Ended 31 March

2006

2005

Central Division

Baie Verte	4,727	4,310
Bishop's Falls	1,022	920
Botwood	5,684	5,793
Buchans	1,096	2,138
Carmanville	4,721	6,085
Centerville	901	852
Change Islands	701	690
Fogo	883	889
Gambo	1,153	796
Gander	20,760	19,199
Gaultois	2,400	2,230
Glenwood	1,612	1,270
Glovertown	1,209	711
Grand Falls-Windsor	4,523	3,715
Greenspond	3,750	3,703
Harbour Breton	912	721
Hare Bay	978	1,003
Harry's Harbour	3,924	4,285
Hermitage	984	862
King's Point	4,878	3,073
LaScie	3,643	3,320
Lewisporte	4,333	4,413
Lumsden	1,680	1,438
Musgrave Harbour	773	798
Norris Arm	2,806	2,838
Point Leamington	1,623	1,083
Robert's Arm	4,490	2,536
St. Albans	1,391	1,321
Seal Cove	1,144	954
Springdale	620	1,078
Summerford	1,662	1,110
Twillingate	993	1,108
Wesleyville	739	687
	92,715	85,929

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)

For the Year Ended 31 March

2006

2005

Western Newfoundland - Labrador Division

Bay St. George South	772	767
Burgeo	1,598	651
Cape St. George	503	627
Cartwright	784	643
Churchill Falls	515	608
Codroy Valley	518	565
Cornack	1,323	1,063
Corner Brook	5,035	4,375
Cow Head	4,694	5,230
Daniel's Harbour	1,612	558
Deer Lake	18,160	14,081
Happy Valley	658	495
Labrador City	15,571	14,778
L'Anse au Loup	956	2,022
Lark Harbour	747	964
Lourdes	584	519
Pasadena	1,713	2,652
Port au Port	3,256	4,065
Port aux Basques	11,180	10,114
Port Saunders	3,798	3,800
Ramea	820	973
Rocky Harbour	2,445	526
St. Anthony	952	1,302
St. Georges	783	748
St. Lunaire-Griquet	554	694
Sops Arm	825	735
Stephenville	21,802	19,715
Stephenville Crossing	757	808
Wabush	1,793	1,890
Woody Point	3,231	2,929
	107,939	98,897
	\$ 433,188	\$ 384,432

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
31 March 2006

Authority

The Provincial Information and Library Resources Board (the Board) operates under the authority of the *Public Libraries Act*. The purpose of the Board is to operate the public libraries in the Province. A majority of the members of the Board are appointed by the Lieutenant-Governor in Council. The Board reports to the Minister of Education.

1. Significant accounting policies

These financial statements have been prepared by the Board's management in accordance with Canadian generally accepted accounting principles. The budget disclosed in these financial statements is presented on a cash basis. Outlined below are the significant accounting policies followed.

(a) Reporting entity

The reporting entity for the purpose of these financial statements is the Board's head office and divisional offices. The Board's head office includes Administration, Technical Services and the Provincial Resource Library. These financial statements include expenditures for grants made to local libraries under the jurisdiction of the three divisional library boards detailed in the Schedule to the financial statements. Funds raised by local libraries in excess of the grants provided by the Board or any expenditures in excess of these grants are not reflected in these financial statements.

(b) Capital assets

All capital assets are capitalized at cost at the time of acquisition. Amortization is calculated using the straight line method based on the expected future life of all assets as follows:

Buildings	40 years
Furniture and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years
Software	5 years

(c) Severance pay

The calculation of severance pay is based on years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continuous service, and accordingly no provision has been made in the accounts for employees with less than nine years of continuous service. The amount is payable when the employee ceases employment with the Board. If the employee transfers to another entity included in the public service, then the liability is transferred with the employee to the other entity.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
31 March 2006

2. Accounts receivable

	<u>2006</u>	<u>2005</u>
Federal Government		
Harmonized Sales Tax	\$ 40,354	\$ 35,231
Other	9,948	34,192
Provincial Government	212,855	268,962
Other	43,563	22,452
	<u>\$ 306,720</u>	<u>\$ 360,837</u>

3. Prepaid expenses

Prepaid expenses of \$184,404 (2005 - \$189,719) include inventory of supplies of \$53,144 (2005 - \$53,642) on hand at the Board's head office and the three divisional library board offices.

4. Long-term investments

Long-term investments consist of 1,678 shares of Sun Life Financial Services of Canada Inc. which were given to the Board as a result of the demutualization of Sun Life Assurance Company of Canada. The carrying value of the shares are recognized at the fair market value of \$23,492, as determined by the share price at the time of the transfer of shares to the Board. The fair market value of these shares was \$83,313 as at 31 March 2006 (2005 - \$66,197).

5. Capital assets

		<u>2006</u>		<u>2005</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 288,406	\$ -	\$ 288,406	\$ 288,200
Buildings	1,906,191	1,049,374	856,817	900,853
Furniture and equipment	1,274,516	903,236	371,280	472,362
Motor vehicles	132,010	109,126	22,884	41,074
Computer equipment	2,946,381	2,611,079	335,302	326,345
Software	104,120	20,824	83,296	-
	<u>\$ 6,651,624</u>	<u>\$ 4,693,639</u>	<u>\$ 1,957,985</u>	<u>\$ 2,028,834</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
 NOTES TO FINANCIAL STATEMENTS
 31 March 2006

6. Accounts payable and accrued liabilities

	<u>2006</u>	<u>2005</u>
Accounts payable	\$ 121,331	\$ 50,036
Accrued salaries and benefits	495,999	452,262
	<u>\$ 617,330</u>	<u>\$ 502,298</u>

7. Deferred revenue

Deferred revenue represents money received from funding agencies that has not been utilized, and is available for specified expenditures in future years:

	<u>2006</u>	<u>2005</u>
Federal Government	\$ 6,900	\$ 6,900
Provincial Government	886,592	854,085
Other	52,150	58,434
	<u>\$ 945,642</u>	<u>\$ 919,419</u>

8. Deposits - local libraries

Funds raised by some local libraries have been deposited with the Board to cover the cost of wages for additional opening hours and for the purchase of books, periodicals and computers. The balance on deposit at 31 March 2006 was \$7,007 (2005 - \$7,521).

9. Budget

The 2006 budgeted expenditure exceeded the Province's current year provision for operating grants for the Board. The difference would be funded from cash surpluses carried forward from prior years.

10. Commitments

The Board has entered into lease agreements for the rental of photocopiers, microfiche readers, postal equipment and various rental properties throughout the Province. Future minimum lease payments for the next five years are as follows:

2007	\$369,133
2008	\$286,598
2009	\$280,651
2010	\$262,812
2011	\$262,812

On 12 December 2005, the Board entered into an agreement with a company for the purchase of a library management system totalling \$291,995. As at 31 March 2006, the Board recorded \$119,738 for system components that were received by that date. The remaining \$172,257 will be recorded by the Board during 2006-07. In addition, the Board has a maintenance agreement with the same company totalling \$48,299 which will take effect when the system becomes operational during 2006-07.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
31 March 2006

11. Pensions

Under the *Public Libraries Act*, Board staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Board and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Board's share of pension contributions for 2006 was \$314,434 (2005 - \$310,811).

12. Income taxes

The Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

13. Economic dependence

As a result of the Board's reliance on Provincial funding, the Board's ability to continue viable operations is dependent upon decisions of the Province.

14. Financial instruments

The Board's financial instruments recognized on the balance sheet, in addition to the long-term investments described in Note 4, consist of cash, accounts receivable, accounts payable and accrued liabilities, and deposits - local libraries. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity or current market rate associated with them.

